

Statement of  
The Honorable Kenneth M. Mead  
Inspector General  
Department of Transportation

Tuesday, February 13, 2001

Mr. Chairman and Members of the Committee:

We are pleased to be to here today to discuss airline customer service, which is of enormous importance to the Congress, the Department of Transportation (DOT), Federal Aviation Administration (FAA), and, most importantly the traveling public. Today, I will discuss the results of our work and recommendations for improvement.

As this Committee is well aware, Airline customer service took center stage in January 1999, when hundreds of passengers were stuck in planes on snowbound Detroit runways for up to 8½ hours. Following that incident, both the House and Senate conducted hearings and considered whether to enact a "passenger bill of rights." Since the January 1999 incident, the state of aviation as measured by delays and cancellations has worsened. For example, the 10 major air carriers reported an increase of nearly 19 percent in departure and arrival delays and over 21 percent in cancellations between 1999 and 2000. A portion of this increase can be attributed to labor problems experienced by at least two air carriers, which disrupted flight schedules.

Following hearings after the January 1999 incident, Congress, DOT, and the Air Transport Association (ATA)<sup>1</sup> agreed that the air carriers should have an opportunity to improve their customer service without legislation. To demonstrate the Airlines' ongoing dedication to improving air travel, ATA and its member

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<sup>1</sup> The Air Transport Association is the trade association for America's leading air carriers. Its members transport over 95 percent of all the passenger and cargo traffic in the United States.

Airlines<sup>2</sup> executed the Airline Customer Service Commitment (the Commitment),<sup>3</sup> on June 17, 1999. Each Airline agreed to prepare a Customer Service Plan (Plan) implementing the 12 provisions of the Commitment.

A review of vital statistics places the environment in which we performed our review in context and shows how serious delays and cancellations have become.

**The Airlines Commit to:**

- Offer the lowest fare available
- Notify customers of known delays, cancellations, and diversions
- On-time baggage delivery
- Support an increase in the baggage liability limit
- Allow reservations to be held or canceled
- Provide prompt ticket refunds
- Properly accommodate disabled and special needs passengers
- Meet customers' essential needs during long on-aircraft delays
- Handle "bumped" passengers with fairness and consistency
- Disclose travel itinerary, cancellation policies, frequent flyer rules, and aircraft configuration
- Ensure good customer service from code-share partners
- Be more responsive to customer complaints

- In 2000, over 1 in 4 flights (27.5 percent) were delayed, canceled or diverted, affecting approximately 163 million passengers.
- Not only are there more delays, but those occurring are longer. Of those flights arriving late, the average delay exceeded 52 minutes in 2000.
- Flights experiencing taxi-out times of 1 hour or more increased nearly 13 percent (from 40,789 to 45,993) between 1999 and 2000. Of those flights with taxi-out times of 2, 3, 4, and 5 hours or greater, the largest percentage increase occurred in the 5+ hour category, which more than doubled (from 30 to 79).

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<sup>2</sup> For the purposes of this statement, Airline or Airlines refers to the ATA member Airlines; air carrier refers to airlines in general.

<sup>3</sup> ATA signed the Commitment on behalf of 14 ATA member Airlines (Alaska Airlines, Aloha Airlines, American Airlines, American Trans Air, America West Airlines, Continental Airlines, Delta Air Lines, Hawaiian Airlines, Midwest Express Airlines, Northwest Airlines, Southwest Airlines, Trans World Airlines, United Airlines, and US Airways).

Against this backdrop of increasing delays and cancellations, consumer complaints are also rising. The 2000 DOT Air Travel Consumer Report disclosed that complaints for 2000 increased 14 percent (20,438 to 23,381) over complaints in 1999.

DOT ranks flight problems (i.e., delays, cancellations and missed connections) as the number 1 air traveler complaint, with customer care<sup>4</sup> and baggage complaints ranked as either number 2 or number 3. As depicted by the chart, 2000 data show that these three types of complaints account for 74 percent of all complaints.

Last June, we issued an Interim Report<sup>5</sup> on the 6-month progress of the Airlines in implementing their Plans. The Airlines are just now past the 1-year point in implementing their Plans. We reported our final results in our Final Report on Airline Customer Service Commitment,<sup>6</sup> on the effectiveness of the Commitment and the individual Airline Plans to carry it out. As directed by the *Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century* (AIR-21), our final report includes results for each Airline and recommendations for improving accountability, enforcement, and consumer protections afforded to commercial air passengers.

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<sup>4</sup> Complaints such as poor employee attitude, refusal to provide assistance, unsatisfactory seating, and unsatisfactory food service are categorized as customer care complaints.

<sup>5</sup> Report Number AV-2000-102.

<sup>6</sup> Report Number AV-2001-020

Our review was conducted between November 1, 1999 and January 17, 2001. During that time we visited and tested implementation of the Commitment provisions at the corporate offices, reservations centers, and the various airport facilities of all 14 ATA Airlines and 3 non-ATA airlines.<sup>7</sup> We developed protocols for testing each of the 12 Commitment provisions. We observed air carrier operations and tested Commitment provisions at 39 airports. This included observing approximately 550 delayed and 160 canceled flights, reviewing 4,100 claims for mishandled baggage, placing nearly 2,000 telephone calls to reservations centers, reviewing the compensation provided to about 820 passengers who were either voluntarily or involuntarily denied boarding, and observing the treatment of about 380 disabled or special needs passengers.

A number of Airline consolidations are in process. United Airlines has proposed the purchase of U.S. Airways, and American Airlines has proposed the purchase of Trans World Airlines and a portion of U.S. Airways. As a separate review, at the request of the Senate Committee on Commerce, Science and Transportation, we will be looking at the air carrier merger review process with particular focus on how transitional service disruptions and competitive aspects of customer service are considered. Transitional service disruptions, such as computer system integration, crew scheduling, and information flows within companies and with their customers, can have a great impact on customer service.

We are pleased to report that ATA, the Airlines and non-ATA airlines cooperated fully with us during this review. Also, ATA has indicated that the Airlines are open to continued outside assessments about how they are progressing in their implementation of the Commitment, and that the Airlines will support any such effort through the establishment of the necessary internal Airline quality assurance programs.

## **RESULTS**

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<sup>7</sup> AIR-21 requested that our review include non-ATA member airlines. AirTran Airways, Frontier Airlines and National Airlines were selected as the three non-ATA airlines for our review.

Overall, we found the Airlines were making progress toward meeting their Customer Service Commitment and that the Commitment has been a plus for air travelers on a number of important fronts. The voluntary Commitment to customer service and the circumstances under which it was entered into are noteworthy because, based on our observations, it prompted the Airlines to take the matter of improving customer service more seriously.

Also, the Airlines generally were responsive to suggestions made in our Interim Report. But, the Airlines, airports, the FAA and, most important, the traveling public know the aviation system is not working well—the road ahead is long, and aggressive progress will be required by the Airlines, airports, and FAA if consumer confidence is to be restored.

Notwithstanding Airline progress Airlines toward meeting their Customer Service Commitment, we continue to find significant shortfalls in reliable and timely communication with passengers by the Airlines about flight delays and cancellations. Further we find the Airlines' Commitment does not directly address the most deep-seated, underlying cause of customer dissatisfaction—flight delays and cancellations, and what the Airlines plan to do about them in the areas under their control in the immediate term.

Action by the Airlines to reduce flight delays and cancellations in the immediate term is critical because major improvements in providing capacity to meet demand, such as new runways and the fielding of new air traffic control capacity enhancing technology, are not going to be in place for at least the next several years. Spring/summer 2001, when the next major crunch in air travel is likely to occur, is just around the corner.

I would like to provide a more detailed summary of our work with respect to the various Commitment provisions, the Airlines' contracts of carriage, and DOT's ability to oversee and enforce consumer rights.

➤ **Provisions for quoting lowest fare, holding nonrefundable reservations, timely responses to complaints, and higher pay-outs for lost baggage.** In general, we found the areas where the provisions of the Commitment were working well and where the greatest progress was being made were not directly or necessarily associated with whether a flight is delayed or canceled:

- Quoting the lowest fare, compliance was between 88 and 100 percent of the time for a fixed itinerary.
- Holding nonrefundable reservations without penalty, compliance was between 88 and 100 percent.
- Timely responses to complaints, compliance was between 61 to 100 percent with 13 Airlines between 93 and 100 percent compliant.
- The Airlines supported an increase in the baggage liability limit from \$1,250 to \$2,500 resulting in larger pay-outs for lost luggage.

Over the past year, we also have seen air carriers competing on the basis of customer service through such steps as more legroom between seats, size of overhead baggage compartments, and deployment of portable passenger check-in stations to reduce long lines—measures that go beyond actions required by the Commitment.

➤ **Provision regarding properly accommodate disabled and special needs passengers.** The Airlines committed to disclose their policies and procedures for assisting special needs passengers and for accommodating the disabled in an appropriate manner. Of the 12 Commitment provisions, we found the Airlines disclosed more detailed information to passengers on this provision than on any other.

Although the Commitment provision addressed disclosing an Airline's policies and procedures, we took steps to also determine if the Airlines and non-ATA airlines were properly assisting disabled and special needs passengers. In over 380 observations, we found that the Airlines and non-ATA airlines were properly assisting disabled and special needs passengers during their time spent at the airport from checking in to boarding the plane. However, it is apparent from the comments we received from an on-line survey as well as the complaints received by DOT, that the Airlines cannot apply enough emphasis to this area, especially by ensuring that employees that assist disabled and special needs passengers are properly trained.

One Airline has attempted to better address the needs of disabled and special needs passengers by establishing an advisory council, which includes disabled individuals. One of our recommendations is that other air carriers consider similar programs.

- **Provisions regarding fairness and consistency in “bumping” practices and prompt refunds for tickets.** Regarding the provision for fairness and consistency in bumping practices on flights that are oversold, we found a need for improvement. Among other things, the rules about who gets bumped first varied among the Airlines, and the compensation limit for those who are involuntarily bumped is inadequate and has not been changed since 1978. In fact, we found that passengers who volunteer to be bumped stand a good chance of receiving greater compensation than passengers who are involuntarily bumped.

As for the provision in the Commitment to provide prompt ticket refunds, which refers to Federal regulations in place for over 17 years, our tests at five Airlines showed excellent performance. However, four Airlines and two non-ATA airlines were clearly deficient in this area and need to improve their processing of ticket refunds.

- **Provisions that trigger when there is a flight delay or cancellation.** We found the customer service areas most in need of improvement are for those provisions that trigger when

there are delays and cancellations. One such provision is to keep customers informed of delays and cancellations, another promises to meet customers' "essential" needs during "extended" on-aircraft delays, and another commits to making reasonable efforts to return delayed or mishandled checked baggage within 24 hours.

The evidence shows significant investment and progress by the Airlines toward meeting these Commitment provisions, and improvement is evident since our Interim Report. Still, there are persistent problems. We frequently found, among other matters, untimely, incomplete, or unreliable reports to passengers about flight status, delays and cancellations as follows.

- Notify Customers of Known Delays, Cancellations, and Diversions. In 21 percent of our observations of nearly 550 flight delays nationwide, the flight information display system showed the flight as on time when, in fact, the flight had been delayed for more than 20 minutes; timely announcements about the status of the delay were made in the gate areas 66 percent of the time; and when status announcements were made, the information provided about the delay or cancellation was adequate about 57 percent of the time. Performance varied by Airline and non-ATA airline, with Hubs generally performing better than non-Hub airports.
- Meet Customers' Essential Needs During Long On-Aircraft Delays. All Airlines have taken steps to accommodate passengers' "essential" needs during "extended" on-aircraft delays. While there are instances of long on-aircraft delays, we have not seen instances quite as severe as the 1999 Detroit incident. However, we found that the Airlines differ in what qualifies as an "extended" delay. The trigger thresholds for this provision vary from 45 minutes to 3 hours. We think it is unlikely that a passenger's definition of an "extended" on-aircraft delay will vary depending upon which air carrier they are flying. Therefore, Airlines should clarify what passengers can expect during an extended on-aircraft delay.

- On-Time Baggage Delivery. Although the majority of bags do show up with the passenger, it is the bags that do not arrive that customers are most concerned about. The Airlines did not commit to a reduction in the number of checked bags not arriving with the passenger. Instead the Airlines committed to make every reasonable effort to return mishandled checked bags within 24 hours. During our testing, baggage that did not show up with the passenger was delivered within 24 hours 58 to 91 percent of the time. Again, performance among the Airlines and non-ATA airlines varied.

In addition, DOT's method for reporting mishandled bags in the Air Travel Consumer Report should be revised to more accurately reflect the number of bags that do not arrive with passengers. Currently DOT reports the number of *baggage claim reports* per 1,000 passengers on domestic flights. This includes passengers who did not check bags, which on some flights may be more than half the passengers. Also, a baggage claim report can cover more than one mishandled bag. A more accurate method for calculating mishandled baggage would be the number of mishandled bags per 1,000 bags checked by passengers.

Since air travelers in 2000 stood a greater than 1 in 4 chance of their flight being delayed, canceled, or diverted, we believe the Airlines should go further and address steps they are taking on matters within their control to reduce over-scheduling, the number of chronically delayed and/or canceled flights, and the amount of checked baggage that does not show up with the passenger upon arrival.

According to Bureau of Transportation Statistics (BTS), chronically delayed and/or canceled flights are those *regularly scheduled flights*<sup>8</sup> that arrived at least 15 minutes later than scheduled and/or were canceled at least 80 percent of the time during a *single calendar*

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<sup>8</sup> A regularly scheduled flight is a flight segment representing a city-pair (e.g., Chicago to Miami).

*month*. For example, according to BTS data, in December 2000, one flight was either delayed or canceled 27 of the 31 days it was scheduled to operate. In this case, the flight was delayed or canceled 87 percent of the time.

Our analysis of BTS data found *regularly scheduled flights* that were at least 15 minutes late and/or canceled 80 percent of the time increased from 8,348 to 40,868 (390 percent) between 1999 and 2000.<sup>9</sup>

Using BTS data, we increased the amount of arrival delay to 30 minutes or more and identified all *scheduled flights* that, when grouped by individual flight number, were delayed and/or canceled at least 40 percent of the time during a single calendar month. Overall, for calendar year 2000, we identified over 240,000 *regularly scheduled flights* that met our criteria (representing over 10,300 individual flight numbers affecting approximately 25 million passengers).

Currently, the Airlines are required to disclose on-time performance only upon request from the customer. Passengers should not have to ask when making a reservation if the flight is chronically delayed or canceled 40 percent of the time or more; the Airlines should notify the passenger of this information without being asked.

Airline mitigation measures in the above areas will not solve the delay and cancellation problem since it is caused by multiple factors, some outside the Airlines' control. Nevertheless, the Airlines should be doing their part.

For both the short and long term, the Airlines' Commitment to customer service must be combined with comprehensive action to increase system capacity to meet demand. FAA's

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<sup>9</sup> Our intent is not to attribute the cause of the delays or cancellations associated with these flights to the Airlines, but to highlight the extent to which such flights are occurring.

efforts to modernize air traffic control through new technology, satellite navigation at airports, airspace redesign and, importantly, new runways will be central elements in any successful effort to add capacity and avoid gridlock.

- **Contract of Carriage.** In our Interim Report, we noted that the Airlines' Commitment, while conveying promises of customer service, was not necessarily legally enforceable by consumers unless these protections were also incorporated into an Airline's contract of carriage, which is a binding and legally enforceable contract. In fact, one Airline explicitly said as much in its Customer Service Plan.

In our Interim Report, we recommended that the Airlines ensure that their contracts of carriage are changed to fully reflect the benefits afforded by their Plans and the Airlines' Commitment to customer service. Our review of the 14 Airlines' contracts of carriage showed that as of January 17, 2001, all of the Airlines responded to this recommendation to some degree. For example:

- Three of the 14 Airlines incorporated the entire text of their Plans into their contracts of carriage.
- Eleven of the 14 Airlines incorporated the Commitment provision to inform the customer of delays, cancellations, and diversions into their contracts of carriage; 8 of the 14 Airlines incorporated the Commitment provision to meet customers' essential needs during extended on-aircraft delays.
- Eleven of the 14 Airlines incorporated the Commitment provision for quoting the lowest fare; 12 Airlines incorporated the provisions for holding a nonrefundable reservation for 24 hours and for returning misrouted or delayed baggage within 24 hours; and all Airlines incorporated the baggage liability limit increase, which is required by Federal regulation.

Some Airlines have included additional Commitment provisions in their contract of carriage, since our audit was completed.

There were differences among the Airlines in exactly what they decided to incorporate, and we found instances where the contract of carriage placed limits on what appeared to be a more expansive provision in the Plan. An area of particular concern is when an Airline will provide overnight accommodations occasioned by a delay or cancellation. Most of the Plans said generally that overnight accommodations would be provided if the passenger was required to stay overnight due to a delay or cancellation caused by the Airline's operations (as defined by the Airline). However, the contract of carriage for seven Airlines appeared to limit this to situations such as when a flight was diverted to an unscheduled destination or a flight delay exceeded 4 hours between the hours of 10:00 p.m. and 6:00 a.m. The circumstances in which overnight accommodations will be provided needs clarity so that passengers will know what to expect.

- **Consumer Protection by the Department of Transportation.** Oversight and enforcement of consumer protection and unfair competition laws and regulations are the responsibility of the DOT.

We found the resources available to the Department to carry out these responsibilities to the traveling public are seriously inadequate—so much so that they had declined at the very time consumer complaints quadrupled and increased to record levels—from roughly 6,000 in 1995 to over 23,000 in 2000. Nearly 20 staff are assigned these functions today, down from 40 in 1985. Until this situation is changed, the responsible DOT office will not be able to satisfactorily discharge its consumer protection responsibilities, including the duties assigned to it for investigating complaints involving disabled airline passengers.

## **RECOMMENDATIONS FOR IMPROVING ACCOUNTABILITY, ENFORCEMENT AND THE PROTECTIONS AFFORDED COMMERCIAL AIR TRAVELERS**

Over the past year, the Office of Inspector General made three recommendations to the Secretary of Transportation and the Federal Aviation Administration that were directed at the capacity, delay, and cancellation problems, which are key drivers of customer dissatisfaction with Airlines. These recommendations are repeated below.

- **Establish and implement a uniform system for tracking delays, cancellations, and their causes.** In the final months of the prior Administration, a Task Force appointed by the former Secretary made recommendations to accomplish this. These recommendations still need to be implemented.
- **Develop capacity benchmarks for the Nation's top 30 airports. This will provide a common framework for understanding what maximum arrival and departure rate can physically be accommodated by airport, by time of day under optimum conditions.** A set of capacity benchmarks is essential in understanding the impact of air carrier scheduling practices and what relief can realistically be provided by new technology, revised air traffic control procedures, new runways, and related airport infrastructure. FAA has committed to implementing this recommendation.
- **Develop a strategic plan for addressing capacity shortfalls in the immediate, intermediate, and long term.** These three points in time are important because the new runways or airports or air traffic control technology that may be in place 2, 5, or 10 years from now hold promise for the future, but offer limited or no bottom-line relief in the immediate term. Actions that are necessary in the short term may become unnecessary in the longer term with the addition of, for example, new runways. An immediate issue is scheduling, at peak travel

times, flights beyond the established physical capacity of the airport and air traffic control system under optimum conditions. The dilemma an individual Airline faces is if it takes action and reduces flights, would competitors fill those slots, resulting in no change in the overall flight scheduling at the airport.

## **New Recommendations**

Our report includes recommendations where we found room for improvement or the need for corrective action, as follows.

**Department of Transportation Aviation Consumer Protection.** We recommend a significant increase in the resources allocated to the Department of Transportation division responsible for consumer protection and a corresponding increase in the oversight and enforcement of laws and regulations that protect air travelers. Resources allocated for consumer protection have declined significantly—all at a time when consumer complaints and flight problems have reached record highs.

**Airline Customer Service Commitment.** For the recommendations that follow, Congress in its consideration of Passenger Bill of Rights issues and how to effectuate change has the option of first giving the Airlines the opportunity to take action within a fixed time period to revise, modify, or add to the Customer Service Commitment voluntarily. We note that for significant regulatory proceedings in 1999, DOT took an average of 3.8 years to issue the final rule.<sup>10</sup> The Department concurred that corrective action was needed to expedite the pace of its rulemaking and announced an action plan to do so. This action plan must still be implemented.

### **1. Adoption of Airline Customer Service Commitment by all U.S. air carriers.**

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<sup>10</sup> Department of Transportation's Rulemaking Process, Report No. MH-2000-109, issued July 20, 2000

2. **Make Airline Customer Service Commitment provisions enforceable under the contract of carriage or by regulation, including the provisions to offer the lowest fare for which the passenger is eligible; hold or cancel a reservation; accommodate passengers delayed overnight; and meet customers' essential needs during long on-aircraft delays.**
3. **Add a commitment under which the Airlines must (A) establish a quality assurance and performance measurement system; and (B) conduct an internal audit to measure compliance with the Commitment and Customer Service Plan provisions. The quality assurance system as well as the results of the internal audit will itself be subject to audit by the Federal Government.** Twelve Airlines have already established such a system that covers the Commitment in whole or in part.
4. ***Commitment Provision - Offer the lowest available fare.***
  - **Airlines that have not already done so, offer the lowest fare available for reservations made, not just through Airline telephone reservations systems, but for reservations made at the Airlines' city ticket offices and airport customer service counters.**
  - **Our Interim Report suggested that Airlines notify customers that lower fares may be available through other distribution systems, such as the Airlines' Internet sites. On October 20, 2000, DOT issued an order requiring this to be done, and in general the Airlines are complying. Further recommendations on this point are not necessary.**
2. ***Commitment Provision - Notify customers of known delays, cancellations, and diversions.***

- **Airlines establish in the Commitment and their Customer Service Plans targets for reducing the number of chronically delayed (i.e., 30 minutes or greater) and/or canceled flights.** This should be a short-term measure only to avoid a repeat of spring/summer 2000 and not a way of avoiding the larger issue of expanding capacity to meet demand such as through new runways and technology.
- **Airlines should also provide, through existing Internet sites, the prior month's on-time performance rate for each scheduled flight.**
- **Disclose to customers, at the time of booking and without being asked, the prior month's on-time performance rate for those flights that have been consistently delayed (i.e., 30 minutes or greater) and/or canceled 40 percent or more of the time.**
- **The Office of Aviation Enforcement and Proceedings, in coordination with BTS, include a table in the Air Travel Consumer Report of those flights consistently delayed (i.e., 30 minutes or greater) and/or canceled 40 percent or more of the time for 3 consecutive months.**
- **The Airlines that have not already done so should implement a system that contacts passengers prior to arriving at the airport when a known, lengthy flight delay exists or a flight has been canceled.**
- **Ensure delay information is updated in real-time on Airlines' monitors and on the airport master flight information display monitors; ensure that gate agents make timely announcements regarding the status of the delay; and ensure that the best**

known information about the delay, including the cause and estimated time of departure, is provided to the passengers being affected.

- Clarify the customers' rights when put in an overnight situation due to delays, cancellations, or diversions by making the contracts of carriage consistent with their Plans. In doing so, we urge the Airlines not to back off accommodations they made in their Plans. The reason we surfaced this issue was that at least one Airline, in its Plan, has stated that the Plan does not create contractual or legal rights.

5. *Commitment Provision - On-time baggage delivery (this provision actually commits the Airlines to make every reasonable effort to deliver checked baggage within 24 hours if it does not show up when the passenger arrives).*

- Our Interim Report suggested that the Airlines clarify that the 24-hour clock begins upon receipt of the customer's claim, and all the Airlines have done so. Further recommendations on this point are not necessary.
- Strengthen the Commitment to require the Airlines to set performance goals for reducing the number of mishandled bags.
- Develop and implement systems to track the amount of time elapsed from the receipt of the customer's baggage claim to time of delivery of delayed or misrouted baggage to the passenger, including the time from courier to final delivery to the passenger.
- For the Airlines that have not already done so, provide a toll-free telephone number so passengers can check on the status of checked baggage that did not show up on the passenger's arrival.

- **Petition the DOT to calculate the rate of mishandled baggage on the basis of actual checked baggage (not on the total number of passengers), and the actual number of mishandled bags (not the number of claim reports).**

3. *Commitment Provision - Support an increase in the baggage liability limit.*

- The Airlines agreed to increase the baggage liability limit (from \$1,250 to \$2,500 per passenger) and DOT made the increase a requirement of law. We are making no recommendations regarding this commitment.

2. *Commitment Provision - Allow reservations to be held or canceled.*

- Our Interim Report suggested the Airlines disclose to the consumer that they have the option of canceling a nonrefundable reservation within the 24-hour window following booking. All Airlines revised their policies to require such disclosure. We are making no further recommendations regarding this commitment.

4. *Commitment Provision - Provide prompt ticket refunds.*

- The rules governing prompt refunds have been in effect for over 17 years. We found no need to change the rules, but based on the levels of compliance identified in our review for some Airlines, we recommend that the Secretary of Transportation direct the Office of Aviation Enforcement and Proceedings to strengthen its oversight and take appropriate enforcement action in cases of noncompliance.

6. *Commitment Provision - Properly accommodate disabled and special needs passengers.*

- We would encourage the Airlines to continuously improve the services provided air travelers with disabilities and special needs, especially for those services provided at the airport beginning with the check-in process, on to the passenger security screening process (especially for those air travelers in wheelchairs), and during the boarding process.
  - Airlines should also consider establishing advisory councils, which include disabled individuals, to help better address the needs of disabled and special needs passengers.
2. *Commitment Provision - Meet customers' "essential needs" during "long" on-aircraft delays.*
- The Airlines should clarify in their Plans what is meant by an extended period of time and emergency, so passengers will know what they can expect during extended on-board delays, and ensure that comprehensive customer service contingency plans specify the efforts that will be made to get passengers off the aircraft when delayed for extended periods, either before departure or after arrival.
4. *Commitment Provision - Handle "bumped" passengers with fairness and consistency.*
- Petition DOT to amend its regulation to establish a uniform check-in deadline as to time and place, and require all air carriers to disclose in their contracts of carriage and ticket jackets their policies on how check-in deadlines apply to passengers making connections.

- Airlines who hold out that “volunteers who give up their seats to other customers will be compensated equally on the same flight” should ensure that all volunteers on the same flight are compensated equally.
  - Petition DOT to increase the monetary compensation payable to involuntarily bumped passengers. The limit has not changed since 1978.
  - Disclose orally to passengers what the Airline is obligated to pay involuntarily bumped passengers in advance of making offers to passengers to voluntarily relinquish their seats.
  - DOT clarify “fairness and consistency” by defining and providing examples of what it considers to be “any undue or unreasonable preference or advantage” and “unjust or unreasonable prejudice or disadvantage” in air carrier priority rules or criteria for involuntarily “bumping” passengers.
2. *Commitment Provision - Disclose travel itinerary, cancellation policies, frequent flyer rules, and aircraft configuration.*
- Petition DOT to require that each Airline with a frequent flyer program make available to the public a more comprehensive reporting of frequent flyer redemption information in its frequent flyer literature and annual reports, such as the percentage of successful redemptions and frequent flyer seats made available in the Airline’s top origin and destination markets. Current Airline information on frequent flyer mileage redemptions is not readily available and is very limited in the type and amount of information provided. It has limited value to the consumer for purposes of determining which frequent flyer mileage program to enroll in based on the percentage of

successful redemptions and frequent flyer seats made available in the Airlines' top origin and destination markets.

2. ***Commitment Provision - Ensure good customer service from code-share partners.***

- **The Airlines that have not already done so should conduct annual internal audits of their code-share partners' compliance with the Commitment.**

2. ***Commitment Provision - Be more responsive to customer complaints.***

- **Overall, the Airlines are taking this commitment seriously and generally were responding substantively to complaints well within the required 60-day timeframe. We are making no recommendations regarding this commitment.**

Mr. Chairman, this concludes my statement. I would be happy to answer any questions you or other members of the Committee might have.